

EXECUTION COPY

AMENDMENT NO. 1
TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Amendment No. 1 is made and entered into on July 31, 2007, to be effective as of January 1, 2007 among Pacific Energy Resources Ltd. ("Pacific"), Forest Alaska Holding LLC, Forest Alaska Operating LLC, and Forest Oil Corporation (collectively referred to as "Forest").

RECITALS

WHEREAS, Pacific and Forest are parties to that certain Membership Interest Purchase Agreement dated May 24, 2007, but effective as of January 1, 2007 (the "Agreement");

WHEREAS, among other things, certain inaccuracies and omissions have been discovered in the Agreement, which Pacific and Forest desire to correct, as provided herein; and

WHEREAS, the parties desire to amend the consideration payable by Pacific under the Agreement; and

WHEREAS, Pacific and Forest wish to proceed directly to Closing under the Agreement.

NOW THEREFORE, in consideration of the benefits hereunder for each party, Pacific and Forest hereby amend the Agreement as follows:

1. In partial consideration of Forest's entry into this Amendment No. 1, Pacific agrees to increase the Deposit paid under Section 3.3(a)(i) by the issuance by Pacific to Forest of [REDACTED] shares of Pacific's common stock. All other references to the "Deposit" in the Agreement shall be read to include this increase. Pacific shall instruct its transfer agent to issue these shares immediately upon execution of this Amendment No. 1. If the Closing occurs, [REDACTED] of these shares, along with an additional [REDACTED] shares of Pacific common stock deliverable to Forest at Closing (for a total of [REDACTED] shares) shall be placed into escrow in accordance with the terms of the CIPL Side Letter (as that term is defined in Amendment No. 1 to the Asset Purchase Agreement between Forest and PERL dated the date hereof).
2. For purposes of this Amendment No. 1, the appearance of Forest Oil Corporation as a party under the Agreement shall be for Sections 7.6, 7.14, 10.1, 13.6 and Article XII only.
3. For purposes of this Amendment No. 1, unless otherwise set forth herein, capitalized terms or matters of construction deemed or established in the Agreement shall be applied herein as defined or established therein.
4. Exhibit A-2 of the Agreement is hereby deleted in its entirety and replaced with the Corrected Exhibit A-2 attached to this Amendment No. 1 and made a part hereof.

EXECUTION COPY

11. The text of Section 3.4(a) shall be deleted in its entirety and shall be replaced with the following:

(a) **This Section intentionally left blank**

12. Pacific hereby waives any claim to breach of or defects under any of the following provisions of the Agreement:

Section 3.4(b)

Article IV (other than Section 4.10)

Article V (other than Sections 5.4, 5.6 and 5.8)

Section 7.3 through 7.6

Section 7.13

Notwithstanding the foregoing waiver, Forest agrees to indemnify and hold harmless FAO, Buyer and each of their Affiliates, and the officers, directors, employees and agents thereof, under the indemnification procedures set forth in Section 12.3 of the Agreement, against any Losses arising from acts or omissions occurring prior to Closing which are or may be asserted in either of the following lawsuits:

- a. *Marathon Oil Company v. Forest Oil Corporation, Union Oil Company of California, d/b/a Unocal Alaska and Chevron Corporation*, filed on May 3, 2006 in the United States District Court for the District of Alaska at Anchorage, Case No. 3:06-cv-00102-TMB.
- b. *Forest Oil Corporation v. Union Oil Company of California, d/b/a Unocal Alaska*, filed on April 14, 2005 in the United States District Court, Eastern District of Alaska, Case No. A-05-0078.

13. Forest hereby waives any claim to breach of any of the following provisions of the Agreement:

Article VI (other than Sections 6.6, 6.7 and 6.9)

14. Pacific hereby irrevocably waives the conditions to Closing contained in Section 8.1(d) of the Agreement. Forest hereby irrevocably waives the conditions to Closing contained in Section 8.2(b) of the Agreement.

15. The text of Section 9.1 shall be amended to delete the word "and" from the end of subsection (h) thereof, to delete the period at the end of subsection (i) thereof, and to add the following text at the end of subsection (i) thereof:

; and


(j) an executed Share Acquisition and Registration Rights Agreement (as that term is defined in the Asset Sales Agreement dated May 24, 2007 but effective as of January 1, 2007 between Buyer and FOC).

EXECUTION COPY

refund pertaining to Income Taxes imposed on Buyer shall remain and belong to Buyer, no matter when received, assessed or paid.

20. Except as expressly provided herein, the Agreement shall remain unchanged, is hereby ratified and affirmed, and shall continue in full force and effect. Wherever the terms of this Amendment No. 1 and the terms of the Agreement conflict, the terms of this Amendment No. 1 shall be deemed to supersede the conflicting terms of the Agreement. Any violation of an agreement or covenant contained in this Amendment No. 1 shall be treated in the same manner as a violation of an agreement or covenant in the Agreement.
21. Any provision of this Amendment No. 1 that is prohibited or otherwise unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction
22. This Amendment No. 1 may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

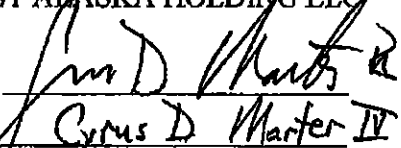
FOREST OIL CORPORATION

By:  977
Name: H. Craig Clark
Title: President and Chief Executive Officer
Date: July 31, 2007

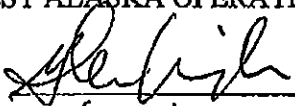
PACIFIC ENERGY RESOURCES LTD.

By: _____
Name: _____
Title: _____
Date: _____

FOREST ALASKA HOLDING LLC

By: 
Name: Cyrus D. Marter IV
Title: Vice Pres. + Secretary
Date: 7/31/07

FOREST ALASKA OPERATING LLC

By:  977
Name: Glen Mizenko
Title: Vice President, Business Development
Date: 7/31/07

EXECUTION COPY


refund pertaining to Income Taxes imposed on Buyer shall remain and belong to Buyer, no matter when received, assessed or paid.

20. Except as expressly provided herein, the Agreement shall remain unchanged, is hereby ratified and affirmed, and shall continue in full force and effect. Wherever the terms of this Amendment No. 1 and the terms of the Agreement conflict, the terms of this Amendment No. 1 shall be deemed to supersede the conflicting terms of the Agreement. Any violation of an agreement or covenant contained in this Amendment No. 1 shall be treated in the same manner as a violation of an agreement or covenant in the Agreement.
21. Any provision of this Amendment No. 1 that is prohibited or otherwise unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction
22. This Amendment No. 1 may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

FOREST OIL CORPORATION

By: _____
Name: _____
Title: _____
Date: _____

PACIFIC ENERGY RESOURCES LTD.

By:  _____
Name: DARREN KATIC
Title: PRESIDENT
Date: JULY 31. 07

FOREST ALASKA HOLDING LLC

By: _____
Name: _____
Title: _____
Date: _____

FOREST ALASKA OPERATING LLC

By: _____
Name: _____
Title: _____
Date: _____